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STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

\*\*\*\*\*  
 In the Case of the Final and  
 Binding Arbitration Between  
  
 VERNON COUNTY COURTHOUSE AND  
 SOCIAL SERVICES, LOCAL 2918,  
 WCCME, AFSCME, AFL-CIO  
  
 and  
  
 VERNON COUNTY  
 \*\*\*\*\*

Case L No. 25438  
 MED/ARB - 556  
 Decision No. 17716-C

Gordon Haferbecker, Arbitrator  
 September 19, 1980

APPEARANCES:

Daniel R. Pfeifer, District Representative, Wisconsin Council of County and Municipal Employees, appearing on behalf of the Vernon County Courthouse and Social Services Employees, Local 2918, WCCME, AFSCME, AFL-CIO.

Jerome Klos of Steele, Klos and Flynn--Chartered, Attorneys at Law, Special Labor Counsel for Vernon County.

BACKGROUND

The parties met in negotiations concerning a 1980-81 contract on three separate occasions before reaching an impasse. The Union on November 2, 1979, requested the Wisconsin Employment Relations Commission to appoint Robert McCormick to act as mediator in the dispute. The parties met with Mr. McCormick for mediation on December 3, 1979. The impasse was not resolved and the Union petitioned for mediation-arbitration on December 7, 1979. Mr. McCormick held an informal investigation on January 10, 1980, but no settlement could be achieved. The WERC on March 28, 1980, issued an order requiring mediation-arbitration. The parties selected Gordon Haferbecker of Stevens Point as the Mediator-Arbitrator. On April 15, 1980, the Mediator-Arbitrator was notified of his appointment.

A mediation session was held at the Vernon County Courthouse in Viroqua on June 11, 1980. The parties reached a tentative agreement at the mediation session. The agreement was not approved by the Personnel Committee of the County Board. The Employer states that a quorum of the committee was not present at the mediation session and subsequent to that session the full committee was not willing to approve the tentative agreement.

The parties met again with the Mediator-Arbitrator on July 21, 1980. During the mediation, the parties reached agreement on all open issues except wages.

The parties then proceeded to formal arbitration on the wage issue.

It was agreed at the hearing that Briefs would be sent to the Arbitrator on or before August 25, 1980, and that Reply Briefs would be sent to the Arbitrator on September 2, 1980. Briefs were sent as scheduled. The Employer filed a Reply Brief but the Union chose not to do so.

STIPULATIONS OF THE PARTIES

Following are the stipulations of the parties. Those marked with an asterisk were involved in the original final offers of the parties. The others were agreements reached before mediation-arbitration:

1) Change the classification of the position currently held by Lowell Hubbard from Social Service Aide II to "Court Intake Worker."

2) Add 3.09 to contract to read:

"Employees required to travel, as a condition of their employment, shall receive a straight time hourly rate, in pay or compensatory time at the employee's option, for all hours traveled outside of their normal work schedule. Said travel time shall not be used to compute overtime. Furthermore, this paragraph does not apply to travel to and from conferences or meetings".

3) Amend 11.10 - "If an employee becomes ill or is injured for a period of more than 3 days during a vacation, such employee may elect to use such period of illness or injury under any sick leave benefits accrued, if any, and retain the vacation benefits, provided the employee gives his/her supervisor reasonable notice thereof and provides the employer with a doctor's certification of illness or injury at the employer's request."

4) County to pay 65% of family health insurance premiums.

5) Establish salary minimum for Court Intake Worker at \$872.05 (Comparable to Social Worker I rate)

6) Add to Appendix;  
Social Serves department employees on probation shall receive 4% less than classification.

7) \*Vacation schedule to be adjusted to read;  
1 calendar week of vacation after 1 year's service  
2 calendar weeks of vacation after 2 years' service  
3 calendar weeks of vacation after 10 years' service  
4 calendar weeks of vacation after 20 years' service

8) \*Section 19.04 - Add "on-call employees shall receive \$.50 per hour while on-call. The County shall provide a "beeper" to on-call employees." (Payment to start on August 1, 1980)

9) \*Section 23.05 - County to pay mileage at the following rates;  
1980 & 1981 - 20¢ per mile (If the County Board of Supervisors adjusts their rates, these rates shall be adjusted by the same amount).

10) \*Appendix A - Adjust Russel Bjorkes monthly salary to \$632.30 before the 1980 increase.

11) \*Part-time employees - 1980-21¢ per hour increase ATB  
1981-21¢ per hour increase ATB

12) Retroactive to 1/1/80

#### FINAL OFFERS

As agreed at the mediation-arbitration meeting on July 21, 1980, the final offers of the parties on the unresolved wage issue were as follows:

##### Employer

Effective 1/1/80 - An 8% wage increase

Effective 1/1/81 - A 7% wage increase

##### Union

Effective 1/1/80 - An 8% wage increase

Effective 7/1/80 - A 3% wage increase

Effective 1/1/81 - An 8% wage increase

Effective 7/1/81 - A 3% wage increase

Minimum wages to be increased in a likewise manner. Increases to be paid retroactively to 1/1/80.

#### STATUTORY STANDARDS

The Arbitrator is required to choose the final offer of one of the parties on the unresolved issue.

Section 111.70(4) (CM) 7 requires the mediator-arbitrator to consider the following criteria in the decision process;

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.
- e. The average consumer prices for goods and services, commonly known as the cost-of-living.
- f. The overall compensation presently received by the municipal employees, including direct wage compensation, vacations, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

#### POSITION OF THE EMPLOYER

Economic status of Vernon County: Vernon County is one of the poorest counties in Wisconsin. It is ninth from the bottom of 72 counties in 1975 per capita income. Vernon County has the lowest per capita income of any of the ten counties the Union considers to be comparable. Vernon County has 73% of state average per capita income compared with the 9 county region's 83% and La Crosse's 93% (Employer Exhibits A, H, I and Employer Brief, pp. 1 and 2).

In its Brief, the Employer compares seven positions in the bargaining unit with similar positions in La Crosse County. Each 1980 salary proposal (Union and Employer) is divided by the per capita income standing of the county (93% for La Crosse, 73% for Vernon County). On that basis, the Employer finds that Vernon County taxpayers are proportionately treating their Social Service and Courthouse employees far better than La Crosse, considering their means (Employer Brief, pp. 3-4). As the Arbitrator understands this approach, Vernon County salaries are not as much lower than La Crosse as might be expected based on the per capita income difference.

The Employer also provides data showing that Vernon County ranks higher than the state average and higher than the area county average in its proportion of substandard homes and elderly persons.

Comparison with other Vernon County Contract Settlements: Vernon County non-union employees received a 1980 wage increase of 7 $\frac{1}{4}$ %. The Sheriff's Department received a 7 $\frac{1}{4}$ % increase for 1980. The County's contract with the Institution employees provides for an increase of 9% for 1980 and 8 $\frac{1}{2}$ % for 1981 (Employer Exhibit L).

In comparing the Institution's contract with the Courthouse and Social Services arbitration positions, Employer Exhibit N shows that the Institutions received a two-year increase of 61 cents per hour in average wages. This compares with 65 cents offered by the Employer and 99 cents requested by the Union for the Courthouse and Social Services employees.

Concerning the contract with Vernon County Highway employees, the arbitration decision on that matter was not available at the time of the hearing on this case.

The Employer's Reply Brief states: "As to the reference (by the Union Brief) to the 'just dry' Highway arbitration decision, it was certainly not part of the record in this case and references to the wage rate only without regard to the other factors certainly make it something an arbitrator must ignore. We might add the Union Brief incorrectly summarized the Arbitrator Imes' conclusion and she totally ignored the County's exhibits. Obviously, the Arbitrator Haferbecker must act on the proofs provided at the hearing and not extraneous materials."

Cost of living. The Employer concedes that the cost of living increases for the preceding year of 1979, and the part of 1980 as has passed, both exceed the wage and fringe package offered by the Employer. It also exceeds the 7 $\frac{1}{2}$ % to 9 $\frac{1}{2}$ % wage limitation ordered by President Carter and the average national settlement of 1979 and 1980 wage contracts. It is elemental that in the years when inflationary flurry is exceptionally high, wages do not keep up. To argue that Vernon County should be an exception is not very plausible.

As to the trend for the future of the remaining  $1\frac{1}{2}$  years of the contract, Employer Exhibit E shows the monthly percentage increase for May of 1980 of .3%. Analyzed, this would be less than a 4% cost of living increase. While the cost of living undoubtedly will not be so reduced, certainly the Arbitrator should note the trend when considering a contract that still has a year and a half to run.

The farmer and the investor have also not kept pace with inflation as shown by the Employer Exhibits and the testimony concerning 1980 farm income by Mr. Nerison.

Other contract costs: In the Employer Brief, the Employer provides data on the other costs involving resulting from the contract provisions already agreed to. Exhibit Y prepared by the Vernon County Social Services Director shows an additional cost of \$7,011 for 1980 and \$9,081 for 1981 because of contract changes outside the general wage increase. This is for the 15 workers in the Social Services part of the bargaining unit. These changes result in an additional increase of 24 cents per hour in 1980. Thus the Employer is offering an 8% wage increase and 5% in fringes. For 1981, it would be 31 cents per hour or 6% of the increased wage base for a total of 13%.

"To argue that the Vernon County offer is not a fair and reasonable contract is ludicrous."

#### POSITION OF THE UNION

Other Vernon County settlements. While non-union employees received a 1980 wage increase of  $7\frac{1}{4}\%$ , additional individual increases raised the cost of the total package to 9.1%. While the Sheriff's Department received  $7\frac{1}{4}\%$  for 1980, this was the second year of a two-year contract. The Vernon County Institutions' contract for 1980-81 provides for wage increases of 9% for 1980 and  $8\frac{1}{2}\%$  for 1981. There are in addition to other increases, 30 cents per hour for L. P. N.'s in 1980 and 6 cents per hour in 1981. Also, farm workers were previously paid for a 40-hour work week even though they may have worked 60 to 80 hours. Now all farm workers are paid their regular hourly rate for all hours worked. These factors significantly increase the overall wage received by the Institutional employees.

Furthermore, the Employer did not produce comparables for the Institutional Union. It is the Union's position that the Vernon County Institutional wages are more in line with surrounding counties than the Courthouse and Social Services departments.

The Vernon County Highway employees recently received a 10% increase in wages for both 1980 and 1981 through an arbitration award.

On the basis of the above, the Union argues that its proposal which yields a cost of  $9\frac{1}{2}\%$  per year is more reasonable than the County offer of 8% in 1980 and 7% in 1981 because it is more in line with other raises received by Vernon County employees and even less than the increase received by employees of the Highway Department (10%).

Comparisons with comparable counties. The Union compares minimum and maximum wages in 1979 and 1980 with the following counties: Adams, Crawford, Grant, Iowa, Jackson, Juneau, La Crosse, Monroe, Richland, Sauk, Trempealeau, and Wood. The comparisons are for the positions of Homemaker II, Custodian, Social Worker II, Clerk II, Income Maintenance Worker, Deputy Clerk of Courts, and Secretaries.

The data indicate that Vernon County employees often lag several thousand dollars per year behind surrounding counties even if the Union final offer is accepted.

The Union also points out that Vernon County has minimum salaries for classifications but no maximums are established. Employees presently at the minimum rate and new employees remain at minimums within their classification unless the Union negotiates individual wage increases. Thus the maximums stated in Union Exhibits 5-17 are only for individuals and not classifications. Of the counties compared by the Union seven have automatic progressions to the maximum rates. Of the remainder, two are in the process of organizing and Mr. Pfeifer could not secure the wage structure of three.

Cost of living. The Union in Exhibits 1 and 2 shows CPI increases of 9% in 1978,  $13.4\%$  in 1979, and a projected 12% increase for 1980. The Union proposed wage

Union Exhibit 19 displays mileage comparisons. It shows a 1980 average of 19.82¢ or 20¢ rounded. This is the amount stipulated.

The change in Russel Bjorkes' salary was negotiated to eliminate some of the pay difference between the two courthouse custodians.

The pay increase for part-time employees of 21 cents per year gives a 1980 increase of 6.1% and 5.8% for 1981.

The Union believes that the above stipulations are only "catch-up" provisions to other Vernon County Departments and surrounding Courthouse and Social Service Departments.

On overall compensation the Union points out that Vernon County has no severance pay or accumulated sick leave, 9 compared counties do. Vernon County has no longevity program, 4 compared counties do. Vernon County has the least vacation and the lowest Employer contribution to health insurance.

The Union concludes that its final offer is necessary because these employees need to "catch-up" with the cost of living, with the employees in surrounding counties, and with the other Vernon County departments.

#### DISCUSSION

Per Capita Income and Comparable Counties. The Employer argues that the reasonableness of the Final Offers should take into account Vernon County's very low per capita income. The Union does not challenge the Employer's data and seems to concede that Vernon County is a low wage, low income county. The Arbitrator agrees with the Employer that per capita income should be considered in looking at wages and benefits in Vernon County in comparison with other counties.

While Vernon County is a low income county, the surrounding counties are also significantly below the state average. For example, when the Employer uses Vernon County's per capita as the base figure, Adams County is less than 2 per cent higher and Crawford County is less than 3 per cent higher than Vernon County (Employer Brief, p. 2). Other counties are from 7.3% to 34.5% higher than Vernon. The other Union comparison counties that are less than 10% higher than Vernon County are Adams, Crawford, Iowa, Juneau, and Richland.

I do not find much significant difference in the comparables used by the parties. The Employer on page 3 of his Exhibit document includes Buffalo County in his per capita income comparisons. The Union includes Adams and Wood Counties in comparisons. Both parties use the counties of Crawford, Grant, Iowa, Jackson, Juneau, La Crosse, Richland, Sauk, and Trempealeau. These seem to be reasonable communities for comparison purposes.

Per capita income is only one of the things that affect public employee wages. Some others are community and public official attitudes, bargaining skills, competition in the labor market, and the cost of living. Professional people such as social workers and teachers are more mobile than secretaries and custodians and are more apt to change job locations to get what they consider to be a fair wage. Thus a community like Vernon County may need to pay relatively more for professional employees than for secretaries and custodians. The unionization of public employees and the wide use of comparables in public employee collective bargaining has tended to reduce public employee wage and fringe benefit differentials between communities.

An important question for the Arbitrator to consider is whether the relatively high wage increase requested by the Union is justified as a "catch-up." Would granting the Union's request place Vernon County higher in the list of comparables than its low income status would justify?

I have looked carefully at Union Exhibits 5, 9, 11, 13, 15, and 17, comparing 1980 wages. These compare Vernon County with twelve other area counties. It should be pointed out that in some of the comparisons, data from some counties was not available to the Union. I have compared the Union request for July 1, 1980 with the 1980 minimums and maximums for the other counties. I find the following:

Homemaker II - Vernon County ranks lowest in minimum and maximum wages. Custodian -

Cost of living. Both sides seem to be in agreement that their proposals will not fully offset recent increases in the cost of living and that public employees, like most Americans, have suffered some loss in real income in recent years because of the high inflation rate. While the monthly CPI index recently showed a smaller increase than in earlier months of 1980, I find the Union's projection of a 12% increase for 1980 to be reasonable.

Vernon County settlements with other bargaining units and union employees. There is not a consistent pattern in the County's settlements. The Sheriff's Department received 7 $\frac{1}{4}$ % for 1980 but this was the second year of a two-year contract. The Institutions' employees received 9% and 8 $\frac{1}{2}$ % increases for 1980 and 1981 plus additional adjustments for L.P.N.'s and farm workers. The non-union employees received an increase of 7 $\frac{1}{4}$ % but additional individual adjustments raised the cost of the total package to 9.1%.

Of most significance to the Arbitrator is the fact that the Institutions' employees received increases of 9% and 8 $\frac{1}{2}$ % plus other group increases while the Union in this case is being offered only 8% and 7%. In other words, 17 $\frac{1}{2}$ %+ versus 15%.

The Employer points out that his offer to this Union amounts to 65 cents per hour--over two years--compared to 61 cents per hour for the Institutions' employees. The Union here is requesting 99 cents per hour. The Arbitrator notes that the average wage of the Institutions' employees is lower than the Courthouse and Social Service employees and that an equivalent percentage increase for the latter would justify more than 65 cents but less than 99 cents.

Finally, we have the recent arbitration decision awarding the Highway employees 10% increases for 1980 and 1981. Since this came after the Arbitration Hearing in the instant case, there was no opportunity to examine it at the hearing. It did come early enough so that it could be noted in the Briefs (as the Union did) and there could have been further response in the Reply Brief (the Employer did comment on it).

Both parties are very familiar with the Highway employees' contract since the Union and the Employer had the same representatives as in the instant case.

The Arbitrator concludes that the Highway settlement can be considered in this case but it should not have as much weight as the Institutions' contract which the parties and the Arbitrator had more opportunity to examine in detail.

The Employer offer here thus is less than the Institution's contract, and possibly less than the total increase to the non-union employees and less than the Highway's contract. The Union offer represents an average increase--because of the split--of 9 $\frac{1}{2}$ % each year which is higher than the Institutions' and non-union settlements but below the Highway contract. But it also represents a 22% increase in base pay over two years, compared to 20% for Highway employees and 17 $\frac{1}{2}$ % for the Institutions.

Thus the Union is requesting more than the other County settlements and the Employer is offering less.

Other contract costs. An important consideration in this case is the matter of the other stipulated items in the 1980-81 contract. The Employer contends that these are major cost items and he estimates that they represent additional costs of 5% in 1980 and 6% in 1981. The Union contends that they are primarily "catch-up" items to bring this bargaining unit closer to other county units and to neighboring counties.

The Arbitrator notes that the fringe benefit increase figures apply only to the Social Services employees in the bargaining unit. Thus the per cent would be less if the costs were divided by all the employees in the unit--including Courthouse employees. I assume that some costs such as travel, on-call payments, and mileage would primarily affect the Social Services group. Others like vacations and health insurance would affect both groups.

The biggest items in the cost increases as computed by the Social Services Director are Travel - \$5,225, On-call pay - \$4,565, and Mileage - \$2,879 (Employee Exhibit M). I think the Union position cited earlier in this paper (Other Cost Increases) does in general justify its defense of these as "catch-up increases." For example, the "on-call" pay provisions are a large cost item and yet all of the compared counties have had such

## CONCLUSION

This has been a difficult case for the Arbitrator and also I am sure for the parties and their representatives. The Arbitrator would have preferred a wage settlement higher than the Employer is offering and lower than the Union is requesting but he must choose between the Final Offers of the parties.

The emphasis of the Employer in this case has been upon Vernon County's low income status and upon the settlements with other county units and upon recent moderation of cost of living figures.

The emphasis of the Union has been upon comparisons with neighboring counties in both wages and fringe benefits, cost of living increases, and comparisons with the increases granted other County departments.

If the Sheriff's Department settlement for 1980 is discounted because it is the second year of a two-year contract, it does seem from the data presented by the parties that the County's wage offer in this case is significantly below what the other units will be getting for 1980 and 1981. Concerning Vernon County's low economic status, this is a factor to be considered but Vernon County is not that different from several of the other adjacent counties. As indicated earlier, per capita income is not the only factor to be considered. While there has been some recent moderation of the CPI increases, the Employer concedes that the 1980 increase will be higher than the rate in recent months. The 9% increase in 1978 and the 13.4% increase in 1979 do represent a 22.4% rise in the two years preceding this new contract. The Union offer comes closer to meeting the CPI increase.

A basic question in this case is whether the Union wage request and the stipulated items in the 1980-81 contract are justified as a catch-up in wages and overall compensation in comparison to other Vernon County employees and Courthouse and Social Services employees in neighboring counties. Which wage offer is more reasonable when the results are compared with the wage levels in neighboring counties?

As indicated earlier in this report, the Union's proposed wage increases and the benefit changes stipulated in the contract would still leave the Courthouse and Social Services employees ranking at the low end in pay and benefits compared to neighboring counties, many of which are not that different from Vernon County. The wage and benefit levels would still reflect the fact that Vernon County is a low income county. I, therefore, find that the Union has justified the need for a catch-up increase in the new contract.

While the stipulated items in the new contract do help these employees catch up to neighboring counties, the Employer has not demonstrated that his wage proposal helps to improve the very low wage level of the Courthouse and Social Services employees in comparison to neighboring counties.

Taking into account the statutory criteria and having reviewed the evidence and arguments presented by the parties, the Arbitrator concludes that the Union offer is the more reasonable and makes the following award:

## AWARD

The final wage offer of the Union, along with the stipulations of the parties are to be incorporated into the 1980-81 collective bargaining agreement.

September 19, 1980

Gordon Haferbecker  
Gordon Haferbecker  
Mediator/Arbitrator